GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3247
ANSWERED ON:21.12.2004
REVIVAL OF BIHAR ALLOY STEEL CORPORATION
Mehta Shri Bhubneshwar Prasad

Will the Minister of STEEL be pleased to state:

(a) whether the Government is aware of the fact that Bihar Alloy Steel Corporation, Patratu in Jharkhand has been provided with more than hundred crores of rupees by various Governmental agencies during the year from 1994 to 2003 for its revival;

(b) if so, whether this amount has been spent elsewhere;

(c) whether the Government is aware that Bihar Alloy Steel is still lying closed and thousands of labourers have been rendered jobless and more than fifty labourers have died of starvation and illness;

(d) if so, the details thereof;

(e) whether the Government propose to take action against management of the company and the authorities who have provided the fund; and

(f) if so, the details thereof?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b) As per the available information, Government of India has not rendered any financial assistance for the revival of M/s. UMI Special Steel Ltd. (formerly M/s. Bihar Alloy Steel Ltd.).

(c) & (d) As per the information made available by the Government of Jharkhand the production of the unit was closed in the year 1996-97 due to paucity of working capital, higher cost of production and global recession in the steel industry. Under the provisions of the sick industrial companies (Special Provisions) Act 1985, BIFR registered the case in Jan. 1998 and declared the company sick in March 1998. Since the company has been directed to wind up and Official Liquidator has taken over the possession of the company reopening of the plant is not possible. It has been informed that 1814 workers out of 2122 have been given their settlement dues and the remaining workers will be taken care of by the Official Liquidator of Jharkhand.

(e) & (f) Do not arise in view of (a) above.